

Bryan W. Shaw, Ph.D., *Chairman*
Buddy Garcia, *Commissioner*
Carlos Rubinstein, *Commissioner*
Mark R. Vickery, P.G., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

September 3, 2010

Re: Barnett Shale Area Special Inventory, Phase Two

Dear Owner/Operator:

Pursuant to Texas Health and Safety Code §382.014 and Title 30 Texas Administrative Code (30 TAC) §101.10(b)(3), the Texas Commission on Environmental Quality (TCEQ) is requesting companies, including any affiliated subsidiaries, that own and/or operate leases and/or facilities (leases/facilities) associated with Barnett Shale oil and gas production, transmission, processing, and related activities to provide air emissions data and related information for calendar year 2009.

Your company or an affiliated subsidiary has been identified as potentially owning and/or operating one or more of these leases/facilities. In accordance with 30 TAC §101.10(b)(3), you are requested to provide special inventory data regarding lease/facility information, air emissions, and equipment associated with oil and gas produced from the Barnett Shale formation(s). Please note for the purposes of this inventory, Barnett Shale oil and gas production, transmission, processing, and related activities are defined as operations contacting oil and/or gas produced from the Barnett Shale formation(s) located in the following counties: Archer, Bosque, Clay, Comanche, Cooke, Coryell, Dallas, Denton, Eastland, Ellis, Erath, Hill, Hood, Jack, Johnson, Montague, Palo Pinto, Parker, Shackelford, Somervell, Stephens, Tarrant, and Wise.

The phase two inventory forms and instructions are available at the following TCEQ Web page: <http://www.tceq.state.tx.us/goto/ieas>. The inventory should be downloaded, completed, and certified. If you have difficulty downloading the inventory materials from the TCEQ Web page, please contact the TCEQ as soon as possible. Refer to the attached enclosure for more detail.

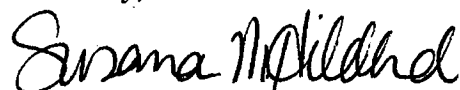
The TCEQ will be providing assistance to complete this special inventory at a public outreach event that will be held in the Round Up Inn in the Amon G. Carter Jr. Exhibits Building at the Will Rogers Memorial Center in Fort Worth, Texas, on October 12, 2010. To register or for more information, please visit: <http://www.tceq.state.tx.us/assistance/P2Recycle/Oil%20and%20Gas>.

The first phase of the Barnett Shale Special Inventory collected general information on leases/facilities and equipment located at those leases/facilities. The second phase of this inventory will collect more detailed information about emissions sources, including 2009 air emissions data, air emissions authorization information, and the proximity of sources to the nearest off-site receptor if the receptor is within a ¼ mile radius. The agency will conduct a quality assurance process where the inventories will be reviewed. Please be advised, some inventories will receive an in-depth review and supporting documentation may be requested from the submitting authority. This supporting documentation will be due to the agency within 10 days of the receipt of the request.

The TCEQ will use the submitted information to compile nitrogen oxides (NO_x), total volatile organic compounds (VOC), and hazardous air pollutant (HAP) emissions data for equipment associated with oil and gas produced from the Barnett Shale formation(s). The submitted data will be used to identify and analyze appropriate regulatory options, and meet federal emissions reporting requirements. Thank you for participating in this inventory and for helping the agency obtain more accurate data that will lead to air quality improvements.

Any questions or concerns about this inventory may be directed to Ms. Julia Knezek at (512) 239-1424, Mr. Miles Whitten (512) 239-5479, or the Emissions Inventory Help Line at (512) 239-1773. You may also submit questions about the special inventory to a mailbox created for this special inventory effort, bshaleei@tceq.state.tx.us.

Sincerely,



Susana M. Hildebrand, P.E.
Chief Engineer
Texas Commission on Environmental Quality

SMH/JK/rs

Enclosure